

News

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Bureau of Labor Statistics

Philadelphia, Pa. 19106

Internet address: www.bls.gov/ro3/home.htm

INFORMATION: Gerald Perrins
(215) 597-3282

MEDIA CONTACT: Sheila Watkins
(215) 861-5600

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CONSUMER PRICE INDEX FOR THE SOUTH—JANUARY 2004

The Consumer Price Index for All Urban Consumers (CPI-U) for the South¹ increased 0.4 percent in January, not seasonally adjusted, to a level of 178.2 (1982-84=100), the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Sheila Watkins noted that prices in the South have risen 1.8 percent since last January due to higher housing and transportation costs. Energy costs advanced 8.3 percent over the year, while food prices increased 3.5 percent. Excluding food and energy costs, the index for all other items rose 0.8 percent.

Table A. Percent changes in the Consumer Price Index for All Urban Consumers for the South by expenditure category (not seasonally adjusted).

Expenditure category	Percent change from preceding month				Unadjusted 12 months Percent change ended January, 2004
	January 2003	November 2003	December 2003	January 2004	
All items	0.3	-0.3	0.0	0.4	1.8
Food and beverages	0.4	0.2	0.7	0.2	3.4
Housing	0.2	-0.7	0.0	0.4	2.4
Apparel	-3.0	-1.2	-2.7	-3.2	-3.4
Transportation	1.1	-0.7	-0.3	1.8	0.7
Medical care	0.3	0.6	0.2	0.3	3.6
Recreation 1/	0.4	0.0	0.0	0.3	0.9
Education and communication 1/	0.6	-0.1	0.2	0.1	-0.2
Other goods and services	0.1	0.1	0.3	0.1	0.9

1/ Index on a December 1997=100 base.

Among the major index groups, the food and beverages index rose 0.2 percent due to rising costs for food away from home (0.3 percent). Costs for food at home also advanced over the month, rising 0.1 percent in January, while costs for alcoholic beverages dropped 0.1 percent. Over the year, food and beverages costs increased 3.4 percent reflecting higher costs for both food and alcoholic beverages. Since January 2003, costs for food away from home rose 2.8 percent while costs for food at home increased 3.9 percent. The index for alcoholic beverages advanced 1.7 over the year.

¹ South includes Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Housing costs advanced 0.4 percent over the month after registering no change in the month of December. All three components of the housing index increased over the month. Shelter costs increased 0.2 percent after rising a modest 0.1 percent in December 2003. Fuels and utilities costs jumped 1.2 percent after rising only 0.1 percent in December and accounted for almost all of the increase in the housing index. This was the largest monthly increase this index has recorded since June 2003. Costs for household furnishings and operations increased 0.3 percent after decreasing for two consecutive months. Over the last twelve months, housing costs have increased 2.4 percent reflecting increases in the costs for shelter and fuels and utilities. Shelter costs advanced 2.0 percent over the year. The index for fuels and utilities rose 8.4 percent as electricity costs climbed 7.4 percent and utility (piped) gas service moved up 17.3 percent. The index for household furnishings and operations declined 1.2 percent. This index has not shown an increase since October 2002.

Apparel costs dropped 3.2 percent in January, the third consecutive monthly decline in the index. The decline was greater than the same one-month period in 2003 yet consistent for this time of the year. Over the past 17 years, apparel prices have consistently shown a decline in the month of January. Over the year, apparel prices have declined 3.4 percent, the largest twelve-month decline since January 2002.

After recording its third consecutive monthly decline in December 2003, the index for transportation advanced 1.8 percent in January. Rising gasoline prices (8.8 percent) accounted for all of the increase in the transportation index. This was the largest monthly increase in gasoline prices since February 2003. Costs for new vehicles rose 0.1 percent over the month, while used cars and trucks prices declined 0.1 percent. For ten consecutive months, prices for used cars and trucks have continuously declined. In the last twelve months, the index for transportation increased 0.7 percent. A 7.3 percent rise in gasoline prices was partially offset by an 11.7 percent decline in the costs of used cars and trucks.

Medical care costs rose 0.3 percent in January primarily due to higher costs for medical care services (0.3 percent). Medical care commodities increased 0.4 percentage point after registering no change in December 2003. Over the past year, medical care costs increased 3.6 percent. Almost all of the increase was attributable to a 4.3 percent increase in the cost of medical care services, while costs for medical care commodities rose 1.5 percent.

Other major index groups include the recreation index, education and communication index, and the other goods and services index. The index for recreation, which was unchanged for the third consecutive month in December, rose 0.3 percent over the month. Over the past year, this index has increased 0.9 percent. Costs for education and communication rose 0.1 percent in January. Over the past year, costs for education and communication have fallen 0.2 percent. The index for other goods and services increased 0.1 percent in January. Since January 2003, this index has risen 0.9 percent.

Population size groups

Over the month, consumer prices in the South rose 0.3 percent for the largest areas, those with 1.5 million or more residents (Size Class A). In mid-size areas, those with populations between 50,000 and 1.5 million (Size Class B/C), the index increased 0.4 percent in January. In small metropolitan areas, those with populations of less than 50,000 (Size Class D), the index advanced 0.1 percent. Over the year, consumer costs in the South rose 1.8 percent in the largest areas (Size Class A), 1.9 percent in the mid-sized areas (Size Class B/C), and 1.2 percent in the smallest areas (Size Class D).

Technical Notes

The Bureau of Labor Statistics (BLS) has updated the consumption expenditure weights in the Consumer Price Index for all Urban Consumers (CPI-U) and in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) to the 2001-02 period, effective with release of data for January 2004. The newer weights replace the 1999-2000 weights, which were first used in the index effective with January 2002 data. Additionally, CPI expenditure weights will be updated at two-year intervals subsequent to the 2002 updating.

The BLS continues to publish separate indexes for the four Census regions of the United States. However, beginning in 1998, there are only two area size classes for metropolitan areas, instead of the former three: Size A - areas with a population greater than 1.5 million; and Size B/C - areas of 50,000 to 1.5 million population. This cutoff of 1.5 million in population reflects a rise from the former cutoff of 1.2 million and is important since cities in size class A are those for which the Bureau publishes city level indexes. The B/C size class is a combination of the old Size B and Size C metropolitan areas. In addition to the two metropolitan area size indexes for each region, separate Size D indexes for areas of less than 50,000 continue to be published for both the Midwest and the South. Separate indexes for Northeast and West urban nonmetropolitan areas were discontinued in 1987.

Local area CPI indexes are by-products of the national CPI program. Because each local index is a small subset of the national index, it has a smaller sample size and is, therefore, subject to substantially more sampling and measurement error than the national index, although their long-term trends are quite similar. The Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in escalator clauses.

We encourage users interested in learning more about changes to the CPI to contact the Bureau of Labor Statistics. Information on the Consumer Price Index and other surveys are available on our web site at <http://www.bls.gov>. Current and historical BLS data are also posted on our Internet page at <http://www.bls.gov/ro3/home.htm>. CPI data are also available through our fax-on-demand system. For a catalog of items available to be faxed to you, call our fax-on-demand number at (215) 597-4153. If you have additional questions, you can contact the Mid-Atlantic information office directly by dialing (215) 597-3282.

Table 1. Consumer price index for all urban consumers and urban wage earners and clerical workers, South Region, (1982-84=100), not seasonally adjusted.

Group	All urban consumers			Urban wage earners and clerical workers		
	Index January 2004	Percent change to Jan 2004 From		Index January 2004	Percent change to Jan 2004 from	
		Jan 2003	Dec 2003		Jan 2003	Dec 2003
All items	178.2	1.8	0.4	175.0	1.4	0.5
All items (Dec 1977=100)	289.0	-	-	283.4	-	-
Food and beverages	181.6	3.4	0.2	180.6	3.5	0.1
Food	181.7	3.5	0.2	180.8	3.6	0.2
Food at home	179.4	3.9	0.1	178.4	4.1	0.1
Food away from home	187.4	2.8	0.3	186.5	2.7	0.3
Alcoholic beverages	179.5	1.7	-0.1	178.6	2.2	-0.1
Housing	170.3	2.4	0.4	168.6	2.4	0.4
Shelter	189.9	2.0	0.2	188.3	1.7	0.2
Rent of primary residence	186.1	1.6	0.1	185.5	1.5	0.1
Owners' equivalent rent (1)	192.4	1.9	0.2	179.2	1.7	0.2
Fuel and utilities	155.6	8.4	1.2	155.5	8.4	1.2
Fuels	133.4	9.3	1.3	132.3	9.2	1.2
Gas (piped) and electricity	134.9	9.2	1.1	134.2	9.1	1.1
Electricity	126.3	7.4	0.6	125.9	7.4	0.6
Utility (piped) gas service	184.9	17.3	3.1	187.7	17.3	3.4
Household furnishings and operation	125.4	-1.2	0.3	120.4	-1.7	0.2
Apparel	127.3	-3.4	-3.2	127.9	-1.8	-2.9
Transportation	154.2	0.7	1.8	151.3	-0.5	2.0
Private transportation	152.7	0.7	1.8	150.0	-0.5	2.0
New & used motor vehicles (2)	94.8	-3.4	0.0	92.6	-5.5	-0.1
New vehicles	141.9	-0.6	0.1	141.6	-0.6	0.1
New cars and trucks (2) (3)	96.7	-0.4	0.1	-	-	-
New cars (3)	140.5	-0.2	0.1	-	-	-
Used cars and trucks	131.0	-11.7	-0.1	131.7	-11.7	-0.2
Motor fuel	134.6	7.3	8.8	134.4	7.1	8.8
Gasoline (all types)	133.9	7.3	8.8	133.7	7.1	8.8
Regular unleaded (3)	132.2	7.7	9.3	132.0	7.5	9.3
Midgrade unleaded (3) (4)	140.5	7.0	8.5	140.5	6.9	8.6
Premium unleaded (3)	134.9	6.1	7.7	134.6	6.1	7.8
Medical care	294.6	3.6	0.3	295.7	3.7	0.3
Medical care commodities	256.9	1.5	0.4	252.7	1.2	0.3
Medical care services	305.3	4.3	0.3	307.1	4.4	0.3
Professional services	262.1	2.5	0.5	263.1	2.5	0.5
Recreation (2)	108.2	0.9	0.3	105.9	0.5	0.2
Education and communication (2)	109.3	-0.2	0.1	107.4	-1.0	0.1
Other goods and services	288.8	0.9	0.1	293.8	0.3	0.1
Commodities	151.5	0.6	0.5	151.1	0.3	0.7
Services	205.5	2.7	0.3	204.2	2.6	0.3
All items less medical care	171.3	1.7	0.4	168.8	1.3	0.4
All items less shelter	174.6	1.7	0.5	171.3	1.3	0.5
Energy	131.1	8.3	4.6	130.4	8.1	4.8
All items less energy	184.5	1.2	0.0	181.3	0.8	0.0
All items less food and energy	185.5	0.8	0.1	181.6	0.2	0.0
Purchasing power of the consumer dollar:						
1982-84=\$1.00	\$.561	-	-	\$.571	-	-
December 1977=\$1.00	\$.346	-	-	\$.353	-	-
SOUTH REGION						
Class A - More than 1.5 million pop	179.8	1.8	0.3	177.1	1.8	0.4
Class B/C - 50,000 to 1.5 million pop 5/	113.8	1.9	0.4	112.3	1.3	0.4
Class D - Nonmet less than 50,000	175.3	1.2	0.1	174.6	0.8	0.2

1/ Indexes on a December 1982=100 base.

2/ Indexes on a December 1977=100 base.

3/ Special index based on a substantially smaller sample.

4/ Indexes on a December 1993=100 base.

5/ Indexes on a December 1996=100 base.

- Data not available.